

SG Issuer

(Incorporated in Luxembourg with limited liability)

CLARIFICATION ANNOUNCEMENT

SG Issuer (the “**Issuer**”) refers to the announcements (the “**Launch Announcements**”) and the relevant termsheets (the “**Termsheets**”) each dated 3 July 2017 in relation to the proposed issues of:

- (a) 12,000,000 European Style Cash Settled Short Certificates relating to the Hang Seng China Enterprises Index Total Return Index with a Daily Leverage of -3x;
- (b) 12,000,000 European Style Cash Settled Short Certificates relating to the Hang Seng China Enterprises Index Total Return Index with a Daily Leverage of -5x;
- (c) 12,000,000 European Style Cash Settled Short Certificates relating to the Hang Seng Index Total Return Index with a Daily Leverage of -3x; and
- (d) 12,000,000 European Style Cash Settled Short Certificates relating to the Hang Seng Index Total Return Index with a Daily Leverage of -5x,

(together, the “**Certificates**”).

Since the launch of the Certificates on 3 July 2017, no Certificates have been placed out.

The Issuer wishes to clarify that the definition of $SB_{t-1,t}$ under the “Leverage Inverse Strategy Formula” section of Appendix I “SPECIFIC DEFINITIONS RELATING TO THE LEVERAGE INVERSE STRATEGY” of each of the Termsheets should be as follows:

$SB_{t-1,t}$ means the Stock Borrowing Cost between Observation Date(t-1) (included) and Observation Date(t) (excluded) calculated as follows :

$$SB_{t-1,t} = -Leverage \times \frac{CB \times ACT(t-1, t)}{DayCountBasisRate}$$

Except as stated above, all the information in the Launch Announcements and Termsheets remains unchanged.

Copies of the revised termsheets relating to the Certificates are attached as Appendices to this Clarification Announcement.

Issued by
SG Issuer

10 July 2017